

**U.S. Department of Justice**

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**News Release**

Paul J. McNulty, United States Attorney for the Eastern District of Virginia, and Donald W. Thompson, Jr., Special Agent in Charge of the Federal Bureau of Investigation, Richmond Field Division, announced that Lloyd A. Jones, age 48, of Mechanicsville, Virginia, pleaded guilty to one count of receipt of a bribe before the Honorable Robert E. Payne, United States District Judge. Jones faces a maximum penalty of 15 years imprisonment and a fine of up to \$250,000. Sentencing is scheduled for May 23, 2003.

Jones served as the Presidentially appointed State Director of Virginia Rural Development, United States Department of Agriculture (USDA, RD) from March 1990 through June 2001. Among other things, USDA, RD made loans to providers of rental housing in rural areas to ensure adequate housing availability for low-income individuals and for those age 62 and older. USDA also subsidized the monthly rental payments of qualified low-income rural families who occupied the rental housing. The indictment alleges that almost immediately after taking office, Jones began accepting cash payments and other financial assistance from several developers doing business with USDA, RD and that he accepted more than \$60,000 from these developers. In return, Jones gave these developers favorable treatment at USDA. Specifically, the indictment alleges that on August 3, 1999, Jones received a bribe of \$32,000 from the president of M&R Associates, a development company from Fort Worth, Texas, in return for being influenced in the performance of an official act, that is, allowing M&R Associates to continue to do business with USDA, RD despite the recommendations of the Office of the Inspector General of the USDA.

Mr. McNulty said, "By accepting these bribes, Mr. Jones put his desire for money ahead of his duty to the public. He violated the trust vested in him as a government employee."

The case was investigated by the FBI and is being prosecuted by Assistant United States Attorney Robert E. Trono.

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